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Citizens Clean Elections Commission

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August 26, 2008

The Citizens Clean Elections Commission is considering a proposed rule change to R2-20-104(F), Officeholder Expenses. The change would result in the repealing of the rule in its entirety.

The repeal of Commission Rule R2-20-104(F) would eliminate the officeholder expense account. Therefore, any money raised by a sitting officeholder to offset officeholder expenses would be a contribution pursuant to A.R.S. §16-901(5)(ii)<sup>[i]</sup> and be subject to the contribution limits in A.R.S. §16-905 and A.R.S. §16-945. All contributions will count towards the matching funds provision for traditional candidates and will count towards the early contribution limits for participating candidates. Should officeholders raise and spend funds above the early contribution limits the officeholders would no longer be eligible to be participating candidates. If R2-20-104(F) is repealed, officeholders with funds in their officeholder expense accounts must return the funds to the contributors, transfer the funds to a campaign account or donate the funds to the Clean Elections Fund.

The proposed rule change is out for a 60-day public comment period that ends on October 26, 2008. Should you wish to comment on the proposed change please contact Michael Becker either by email at [michael.becker@azcanelections.gov](mailto:michael.becker@azcanelections.gov) or 602-364-3477.

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<sup>[i]</sup> A.R.S. §16-901(5)(ii) states a contribution includes money or the fair market value of anything directly or indirectly given or loaned to an elected official for the purpose of defraying the expense of communications with constituents, regardless of whether the elected official has declared his candidacy

## **R2-20-104. Certification as a Participating Candidate**

~~F. Officeholder Expenses. Prior to April 30 of an election year, an elected official may raise or spend money to defray the expense of performing officeholder duties and the event or item purchased shall be completed or otherwise used and depleted prior to April 30 of an election year, as follows:~~

- ~~1. The candidate may first exhaust all surplus monies from prior campaign accounts pursuant to subsection (B) of this rule or may use personal monies for officeholder expenses;~~
- ~~2. Money raised shall be only from individuals and the maximum raised from an individual during the election cycle shall not exceed one-half the early contribution limit;~~
- ~~3. The sum of the money raised or spent shall not exceed two times the early contribution limit applicable to the officeholder's current office;~~
- ~~4. For an officeholder's future campaign as a:~~
  - ~~a. Participating candidate-~~

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- ~~i. Money raised pursuant to this subsection will not be deemed early contributions, and~~
    - ~~ii. Personal money spent pursuant to this subsection shall not apply to personal money expenditure limits provided in A.R.S. § 16-941(A)(2).~~
  - ~~b. Nonparticipating candidate-~~
    - ~~i. Money raised or spent pursuant to this subsection will not be calculated in matching funds to opponents as provided in A.R.S. § 16-952, and~~
    - ~~ii. Money raised or spent pursuant to this subsection will not trigger the reporting requirements provided in A.R.S. §§ 16-941(D) and 16-958.~~
  - ~~5. Any money raised or spent in excess of the limits established in this Section, however, shall be calculated as early contributions or personal monies for participating candidates, or for matching funds and reporting requirements for nonparticipating candidates;~~
  - ~~6. Money raised or spent for officeholder expenses shall be reported under campaign finance reporting requirements pursuant to A.R.S. Title 16, Chapter 6, Article 1 as follows:~~
    - ~~a. The officeholder shall establish an account for officeholder expenses, which shall be separate from any candidate campaign account;~~
    - ~~b. The account shall be designated on the statement of organization as "Officeholder Expense Account;" and~~
    - ~~c. Any money remaining in the officeholder expense account after April 30 of an election year shall either not be spent for the remainder of the calendar year, or shall be remitted to the Clean Elections Fund;~~
  - ~~7. Money in the officeholder expense account shall not be used for direct campaign purposes or in connection with the officeholder's future campaign for elective office; and~~
  - ~~8. Permissible uses of the money in the officeholder expense account include:~~
    - ~~a. Expenditures for office equipment and supplies;~~
    - ~~b. Expenditures for work-related travel;~~
    - ~~c. Donations to tax-exempt charitable organizations; or~~
    - ~~d. Expenditures to meet or communicate with constituents.~~